



Health Services
LOS ANGELES COUNTY

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November 21, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 2 TO AGREEMENT
FOR ECLIPSYS CLINICAL DOCUMENTATION SYSTEM AT
LAC+USC MEDICAL CENTER
(1st District) (3 Votes)**

CIO RECOMMENDATION: [] APPROVE ☒ APPROVE WITH
MODIFICATIONS [] DISAPPROVE

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and delegate authority to the Director of Health Services, or his designee, to sign the Amendment No. 2 to the Agreement for the Eclipsys Clinical Documentation System with Eclipsys Corporation (Eclipsys), substantially in the form attached hereto as Exhibit I. Amendment No. 2 provides for the implementation and expansion of the Clinical Documentation System (CDS) at LAC+USC Medical Center (LAC+USC) to cover an additional 94 beds in the critical care units. Amendment No. 2 is effective December 1, 2006 and will increase the maximum contract sum under the Agreement (as defined below) by \$4,851,829 (i.e., from \$2,232,452 to \$7,084,281), and will extend the term of the Agreement through February 28, 2010.
2. Delegate the authority to the Director, or his designee, to exercise the option under Amendment No. 2 to further expand the CDS to cover an additional 40 Critical Care Unit (CCU) beds, with Board notification.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of the recommended actions are to (i) expand the CDS to cover 94 CCU beds in addition to the 56 beds currently supported by the CDS at LAC+USC, and (ii) provide the Director with the option

to further add 40 CCU beds to the CDS at a later date if the Director so determines. The CDS is an automated vital sign monitoring and charting system for critically ill patients, and has become an essential component in improving patient care outcomes at LAC+USC.

Under Amendment No. 2, the CDS will be migrated from the current LAC+USC facility to the new replacement facility. It is anticipated that the CDS will eventually be replaced with another system to be implemented at all five County medical centers as an enterprise-wide system within the next three years. Therefore, under the Amendment, the term of the Agreement (as defined below) will be extended through February 28, 2010.

The County has guidelines for the timely submission of contracts for Board approval. However, the Department was unable to submit the recommended agreement three weeks prior to the desired effective date because of lengthy negotiations with the vendor to clarify contract provisions. However, the requested actions are before you with more than three months before the current Agreement expires.

FISCAL IMPACT/FINANCING:

The recommended Amendment No. 2 to the Eclipsys Agreement will increase the maximum County obligation by \$4,851,829, from \$2,243,452 to \$7,084,281, for the period December 1, 2006 through February 28, 2010. Of this total, an estimated \$1,698,973 is expected to be incurred in Fiscal Year (FY) 2006-07.

Funding for Amendment No. 2 is included in the Department's FY 2006-07 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In July 1989, a Request for Quotations (RFQ) to furnish and install approximately \$1.75 million in equipment and software for a CDS was released by the County's Internal Services Department (ISD) on behalf of LAC+USC.

The RFQ was sent to 12 vendors. Emtek Healthcare CDS, Inc., (Emtek), a division of Motorola, Inc. (Motorola) was the selected vendor. Motorola sold Emtek to Eclipsys in 1998.

On April 27, 1999, the Board approved an agreement with Eclipsys to provide hardware and software upgrades, hardware maintenance and software support and services for the CDS at LAC+USC.

On February 13, 2001, the Board approved a further agreement with Eclipsys for continued services in connection with the CDS with a term from March 1, 2001 through February 29, 2004.

On February 17, 2004, the Board approved a further agreement with Eclipsys (County Agreement No. H-700225) (hereinabove and after, the "Agreement") to continue to provide services in connection with the CDS and which included a Limitation of Remedies and Liability provision negotiated by Eclipsys limiting Eclipsys' liability for damages to the amount paid by the County pursuant to the Agreement.

Amendment No. 1 acquired six additional licenses to extend the system to support the Pediatric Intensive Care Unit (PICU) and extended the software maintenance, support and services through February 28, 2007. Amendment No. 2 discontinues Eclipsys' maintenance for system hardware and third party software.

All new hardware to be purchased in connection with the expansion of the CDS pursuant to Amendment No. 2 will not be acquired from Eclipsys, but purchased by the County on a separate Purchase Order through ISD. The CDS will be migrated from the current facility to the new replacement facility.

Amendment No. 2 will include software licensing provisions, software upgrade service, implementation services, on-site and remote technical support. In addition, the maximum contract sum includes \$75,360 in Pool Dollars to cover optional implementation services and travel and living expenses for the contractors' staff during the delivery of the upgrade and implementation services.

Attachment A provides additional information.

County Counsel has approved Exhibit I as to form.

The Chief Information Officer concurs with the Department's recommendation.

CONTRACTING PROCESS:

A sole source justification letter is on file with the Department.

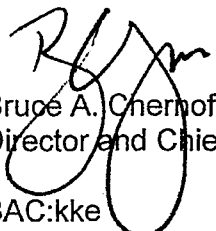
IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Board's approval of Amendment No. 2 will ensure that the existing system for automated vital sign monitoring and charting for critically ill patients is operational at LAC+USC.

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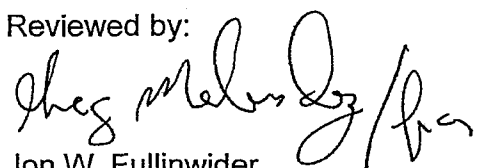
When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,


Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:kke
Eclipsys/kke November 8, 2006

Reviewed by:


Jon W. Fullinwider
Chief Information Officer

Attachments (2)

c: Information Systems Commission
Executive Officer, Board of Supervisors
Chief Administrative Officer
County Counsel

SUMMARY OF AGREEMENT
(Eclipsys Corporation)

1. TYPE OF SERVICE:

Eclipsys Corporation will provide hardware maintenance, software and technical support for the Clinical Documentation System to monitor the vital signs of critically ill patients at LAC+USC Medical Center (LAC+USC).

2. AGENCY ADDRESS AND CONTACT PERSON:

Eclipsys Corporation
444 North 44th Street
Phoenix, Arizona 85008
Attention: Frank Sterns
Telephone: (602) 389-8000
Facsimile: (602) 389-1111

3. TERM OF AGREEMENT:

The Second Amendment is effective December 1, 2006 through February 28, 2010.

4. FINANCIAL INFORMATION:

The maximum County obligation for the Second Amendment 2 is \$7,084,281.

5. GEOGRAPHIC AREA TO BE SERVED:

First District

6. ACCOUNTABLE FOR MONITORING:

Oscar Autelli, Chief Information Officer, LAC+USC

7. APPROVALS:

Chief Executive Officer:	Pete Delgado, CEO
Contracts and Grants:	Cara O'Neill, Chief
County Counsel (approval as to use):	Jose Silva, Principal Deputy
Chief Information Officer:	Jon Fullinwider, CIO

CIO ANALYSIS

APPROVAL OF AMENDMENT NUMBER 2 TO AGREEMENT FOR ECLIPSYS CLINICAL DOCUMENTATION SYSTEM AT LACUSC MEDICAL CENTER (1st District) (3 Votes)

CIO RECOMMENDATION: ☐ APPROVE ☒ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 3 Yrs # of Option Yrs

Contract Components:

☒ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Pete Delgado, Chief Executive Officer

Budget Information :

Y-T-D Contract Expenditures	\$ 480,856
Requested Contract Amount	\$ 4,851,829
Aggregate Contract Amount	\$ 7,084,281

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved? The technology and services acquired under this agreement are need at other medical centers, however DHS anticipates the acquisition of another vendor's product over the term of this agreement.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles